

## Message Text

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42

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOTE-00 INR-10 NSAE-00 RSC-01 FAA-00 SS-20 L-03 DRC-01

/067 W

----- 100945

R 310752Z MAY 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 4081

LIMITED OFFICIAL USE SEOUL 3480

E.O. 11652: N/A

TAGS: ETRN, KS

SUBJECT: CIVAIR - FOREIGN GOVERNMENT SUBSIDIES TO FOREIGN AIRLINES

1. EMBASSY HAS DISCUSSED SUBJECT WITH MEMBERS OF LOCAL AMERICAN AVIATION COMMUNITY, KOREAN CIVIL AVIATION BOARD (KCAB), AND KOREAN AIR LINES (KAL). LOCAL REPRESENTATIVES OF U.S. CARRIERS (NWA AND PANAM) FEEL THAT KAL IS PROBABLY RECEIVING GOVERNMENT AID BUT CAN PROVIDE NOTHING SPECIFIC OR DEFINITE. FLYING TIGER REPRESENTATIVE IS SURE THAT KAL'S DOMESTIC ROUTES (WHICH RUN IN THE RED) ARE SUBSIDIZED BY GOVERNMENT AND THAT KAL WRITES OFF SOME COSTS OF ITS INTERNATIONAL OPERATIONS AGAINST DOMESTIC OPERATIONS, AND THUS TO SOME EXTENT RECEIVES A SUBSIDY ON INTERNATIONAL OPERATIONS. THIS FORM OF GOVERNMENT ASSISTANCE (OR ANY ASSISTANCE) IS STOUTLY DENIED BY BOTH KAL AND KCAB.

2. INVESTIGATION HAS TURNED UP NO EVIDENCE THAT KAL IS ABLE TO PROCURE PRODUCTS OR SERVICES AT LESS THAN PREVAILING MARKET PRICES.

3. THE ALLEGED SUBSIDY CITED BY FLYING TIGER REPRESENTATIVE MAY BE TRUE BUT IS STILL IMPOSSIBLE TO PROVE. THERE IS TO EMBASSY KNOWLEDGE NO APPLICABLE LAW ON SUBJECT AND AN ESTIMATE OF DOLLAR VALUE OF POSSIBLE ASSISTANCE IN 1973 IS NOT POSSIBLE. EMBASSY WILL CONTINUE LOOKING INTO SUBJECT AND REPORT ANY FURTHER DEVELOPMENTS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CIVIL AVIATION, AIRLINES, NEGOTIATIONS, SUBSIDIES, GOVERNMENT GRANTS, AIR ROUTES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974SEOUL03480  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740137-1134  
**From:** SEOUL  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1974/newtext/t1974053/aaaaabuq.tel  
**Line Count:** 61  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** BoyleJA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06-Aug-2002 by kelleyw0>; APPROVED <24 MAR 2003 by BoyleJA>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR - FOREIGN GOVERNMENT SUBSIDIES TO FOREIGN AIRLINES  
**TAGS:** ETRN, KS, KAL, FLYING TIGER  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005